

EXHIBIT 1

INTRODUCTION

Respondent Western Alliance of Farmworker Advocates, Inc. (“WAFA”) is a nonprofit public benefit corporation with the goal of promoting the interests of farm workers. Respondent is also a registered lobbyist employer. As a registered lobbyist employer, Respondent has a duty to file quarterly lobbyist employer reports disclosing its lobbying activities. In this matter, Respondent failed to timely file 12 paper lobbyist employer reports, and four electronic lobbyist employer reports, during the calendar years 1999, 2000, and 2001. This matter arose from a referral by the Secretary of State’s Office.

For the purposes of this stipulation, Respondent’s violations of the Political Reform Act (the “Act”)¹ are stated as follows:

- COUNT 1: Respondent Western Alliance of Farmworker Advocates, Inc. failed to timely file a Report of Lobbyist Employer (Form 635) for the quarter ending March 31, 1999, by the April 30, 1999 due date, in violation of Section 86117, subdivision (a).
- COUNT 2: Respondent Western Alliance of Farmworker Advocates, Inc. failed to timely file a Report of Lobbyist Employer (Form 635) for the quarter ending June 30, 1999, by the August 2, 1999 due date, in violation of Section 86117, subdivision (a).
- COUNT 3: Respondent Western Alliance of Farmworker Advocates, Inc. failed to timely file a Report of Lobbyist Employer (Form 635) for the quarter ending September 30, 1999, by the November 1, 1999 due date, in violation of Section 86117, subdivision (a).
- COUNT 4: Respondent Western Alliance of Farmworker Advocates, Inc. failed to timely file a Report of Lobbyist Employer (Form 635) for the quarter ending December 31, 1999, by the January 31, 2000 due date, in violation of Section 86117, subdivision (a).
- COUNT 5: Respondent Western Alliance of Farmworker Advocates, Inc. failed to timely file a Report of Lobbyist Employer (Form 635) for the quarter ending March 31, 2000, by the April 30, 2000 due date, in violation of Section 86117, subdivision (a).

¹ The Political Reform Act is contained in Government Code sections 81000 through 91014. All statutory references are to the Government Code unless otherwise indicated. The regulations of the Fair Political Practices Commission are contained in sections 18109 through 18997 of Title 2 of the California Code of Regulations. All regulatory references are to Title 2, Division 6 of the California Code of Regulations, unless otherwise indicated.

- COUNT 6: Respondent Western Alliance of Farmworker Advocates, Inc. failed to timely file a Report of Lobbyist Employer (Form 635) for the quarter ending June 30, 2000, by the July 31, 2000 due date, in violation of Section 86117, subdivision (a).
- COUNT 7: Respondent Western Alliance of Farmworker Advocates, Inc. failed to timely file a Report of Lobbyist Employer (Form 635) for the quarter ending September 30, 2000, by the October 31, 2000 due date, in violation of Section 86117, subdivision (a).
- COUNT 8: Respondent Western Alliance of Farmworker Advocates, Inc. failed to timely file a Report of Lobbyist Employer (Form 635) for the quarter ending December 31, 2000, by the January 31, 2001 due date, in violation of Section 86117, subdivision (a).
- COUNT 9: Respondent Western Alliance of Farmworker Advocates, Inc. failed to timely file a Report of Lobbyist Employer (Form 635) for the quarter ending March 31, 2001, by the April 30, 2001 due date, in violation of Section 86117, subdivision (a).
- COUNT 10: Respondent Western Alliance of Farmworker Advocates, Inc. failed to timely file electronically a Report of Lobbyist Employer (Form 635) for the quarter ending March 31, 2001, by the April 30, 2001 due date, in violation of Section 84605, subdivision (d).
- COUNT 11: Respondent Western Alliance of Farmworker Advocates, Inc. failed to timely file a Report of Lobbyist Employer (Form 635) for the quarter ending June 30, 2001, by the July 31, 2001 due date, in violation of Section 86117, subdivision (a).
- COUNT 12: Respondent Western Alliance of Farmworker Advocates, Inc. failed to timely file electronically a Report of Lobbyist Employer (Form 635) for the quarter ending June 30, 2001, by the July 31, 2001 due date, in violation of Section 84605, subdivision (d).
- COUNT 13: Respondent Western Alliance of Farmworker Advocates, Inc. failed to timely file a Report of Lobbyist Employer (Form 635) for the quarter ending September 30, 2001, by the October 31, 2001 due date, in violation of Section 86117, subdivision (a).
- COUNT 14: Respondent Western Alliance of Farmworker Advocates, Inc. failed to timely file electronically a Report of Lobbyist Employer (Form 635) for the quarter ending September 30, 2001, by the October 31, 2001 due date, in violation of Section 84605, subdivision (d).

COUNT 15: Respondent Western Alliance of Farmworker Advocates, Inc. failed to timely file a Report of Lobbyist Employer (Form 635) for the quarter ending December 31, 2001, by the January 31, 2002 due date, in violation of Section 86117, subdivision (a).

COUNT 16: Respondent Western Alliance of Farmworker Advocates, Inc. failed to timely file electronically a Report of Lobbyist Employer (Form 635) for the quarter ending December 31, 2001, by the January 31, 2002 due date, in violation of Section 84605, subdivision (d).

SUMMARY OF THE LAW

An express purpose of the Act, as set forth in Section 81002, subdivision (b), is to ensure that the activities and finances of lobbyists are disclosed, so that improper influences are not directed at public officials. To that end, the Act sets forth a lobbyist reporting system that requires registration and reporting by individuals and entities that make or receive payments for the purpose of influencing decisions of the State Legislature and state administrative agencies.

One feature of the lobbyist reporting system, found at Section 86116, is that any person who qualifies as a “lobbyist employer” is required to file periodic reports containing information about the lobbying activities being conducted on behalf of the lobbyist employer. Under Section 82039.5, a person, other than a lobbying firm, qualifies as a “lobbyist employer” if the person either: (a) employs one or more lobbyists, for economic consideration, for the purpose of influencing legislative or administrative action; or (b) contracts for the services of a lobbying firm, for economic consideration, for the purpose of influencing legislative or administrative action.

Section 86117, subdivision (a) provides that the periodic reports required by Section 86116 must be filed by the end of the month following each calendar quarter.² Section 86118 requires that the periodic reports of lobbyist employers shall be filed with the Secretary of State.

In addition to the paper filing requirement in Section 86116, Section 84605, subdivision (d) requires that, starting on July 1, 2000, the periodic reports of lobbyist employers must also be filed electronically with the Secretary of State if the total amount of any category of reportable payments, expenses, contributions, gifts, or other items is \$5,000 or more during a calendar quarter. Once a lobbyist employer has the obligation to file a periodic report electronically under Section 84605, subdivision (d), Section 84605, subdivision (g) requires all future periodic reports of the lobbyist employer to be filed electronically.

² Regulation 18116 dictates that if the last day of the month falls on a Saturday, Sunday, or official holiday, the filing deadline is extended to the next regular business day.

SUMMARY OF THE FACTS

Respondent Western Alliance of Farmworker Advocates, Inc. is registered with the Secretary of State as a lobbyist employer. As a registered lobbyist employer, Respondent has a duty to file quarterly lobbyist employer reports disclosing its lobbying activities. In this matter, Respondent failed to timely file 12 paper lobbyist employer reports, and four electronic lobbyist employer reports, during the calendar years 1999, 2000, and 2001.

The following table lists and describes each of the lobbyist employer reports not timely filed by Respondent:

Count	Lobbyist Employer Report Not Timely Filed	Reporting Period	Due Date	Amount Paid to Lobbyist Firm During the Period
1	1 st Quarter (1999)	Jan. 1 to Mar. 1, 1999	Apr. 30, 1999	\$10,000
2	2 nd Quarter (1999)	Apr. 1 to Jun. 30, 1999	Aug. 2, 1999	\$5,000
3	3 rd Quarter (1999)	Jul. 1 to Sept. 30, 1999	Nov. 1, 1999	\$5,000
4	4 th Quarter (1999)	Oct. 1 to Dec. 31, 1999	Jan. 31, 2000	\$0
5	1 st Quarter (2000)	Jan. 1 to Mar. 1, 2000	May 1, 2000	\$10,000
6	2 nd Quarter (2000)	Apr. 1 to June 30, 2000	Jul. 31, 2000	\$0
7	3 rd Quarter (2000)	Jul. 1 to Sept. 30, 2000	Oct. 31, 2000	\$10,000
8	4 th Quarter (2000)	Oct. 1 to Dec. 31, 2000	Jan. 31, 2001	\$0
9	1 st Quarter (2001)	Jan. 1 to Mar. 1, 2001	Apr. 30, 2001	\$10,000
10	1 st Quarter (2001) Electronic			
11	2 nd Quarter (2001)	Apr. 1 to Jun. 30, 2001	Jul. 31, 2001	\$10,000
12	2 nd Quarter (2001) Electronic			
13	3 rd Quarter (2001)	Jul. 1 to Sept. 30, 2001	Oct. 31, 2001	\$0
14	3 rd Quarter (2001) Electronic			
15	4 th Quarter (2001)	Oct. 1 to Dec. 31, 2001	Jan. 31, 2002	\$0
16	4 th Quarter (2001) Electronic			
Total				\$60,000

During the reporting periods covered by the 16 lobbyist employer reports, Respondent paid \$60,000 to the Sacramento-based lobbying firm, Meyreles-Velarde Associates, to influence administrative proceedings before the Department of Education and the Employment Development Department. For each of the 16 lobbyist employer reports that Respondent did not timely file, Caren Daniels-Meade, Chief of the Political Reform Division of the Secretary of State's Office, sent Respondent two notification letters advising Respondent that the reports were past due.

On October 3, 2001, when Respondent did not file the delinquent lobbyist employer reports in response to the notifications sent by the Secretary of State's Office, Ms. Meade referred the matter to the Enforcement Division. On November 8, 2001, Political Reform Consultant Linda Moureaux of the Enforcement Division contacted Respondent regarding the late lobbyist employer reports. Respondent, however, did not file the lobbyist employer reports

in response to Ms. Moureaux's call. On March 18, 2002, Enforcement Division Investigator Charlie Bilyeu contacted Respondent, and advised Respondent to file the late lobbyist employer reports. The following week, on March 27, 2002, Respondent filed the past due paper lobbyist employer reports. Two months later, on May 20, 2002, Respondent filed the past due electronic lobbyist employer reports.

By failing to timely file twelve paper lobbyist employer reports, Respondent committed twelve violations of Section 86117, subdivision (a). In addition, by failing to timely file four electronic lobbyist employer reports, Respondent committed four violations of Section 84605.

CONCLUSION

This matter consists of 16 counts, seven of which carry a maximum possible administrative penalty of \$2,000 per violation, and nine of which carry a maximum possible administrative penalty of \$5,000 per violation,³ for a total of \$59,000.

With regard to Respondent's failure to file paper lobbyist employer reports, the typical stipulated penalty ranges from \$1,000 to \$1,500 per report not filed, depending on the circumstances of the case. In this matter, as Respondent failed to timely file a significant number of paper lobbyist employer reports, and disregarded several notifications sent by the Secretary of State's Office, a penalty at the high end of the range is appropriate. Therefore, for Counts 1-9, 11, 13, and 15, a penalty in the amount of \$1,500 per count, for a total of \$18,000, is justified.

As to Respondent's electronic filing violations, a lower penalty is appropriate at this time, as the electronic filing requirement is relatively new. Therefore, for Counts 10, 12, 14 and 16, a penalty in the amount of \$1,000 per count, for a total of \$4,000, is justified.

Accordingly, the facts of this case justify imposition of the agreed upon penalty of \$22,000.

³ On January 1, 2001, the maximum administrative penalty amount increased from Two Thousand Dollars (\$2,000) to Five Thousand Dollars (\$5,000) per violation.